



# DEPARTMENT OF HEALTH AND HOSPITALS

*Medicaid*

## REQUEST FOR PROPOSAL

### *MAINTENANCE OF THE MEDICAID ELIGIBILITY DATA SYSTEM (MEDS)*

DEPARTMENT OF HEALTH AND HOSPITALS  
MEDICAL VENDOR ADMINISTRATION  
BUREAU OF HEALTH SERVICES FINANCING  
ELIGIBILITY SYSTEMS SECTION

**RFP # 305PUR-DHHRFP-MEDS-MVA**

**Proposal Due Date/Time: January 27, 2012  
4:00 P.M. CST**

Release Date: December 21, 2011

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## GLOSSARY

ADABAS – Adaptable Database System  
ADHC – Adult Day Health Care  
BBA – Balance Budget Act  
BCC – Breast and Cervical Cancer  
BENDEX – Benefit Data Exchange  
BHSF – Bureau of Health Services Financing  
CDC – Centers for Disease Control  
CFR – Code of Federal Regulations  
CHAMP – Child Health and Maternal Program  
CICS – Custom Information Control System  
CMS – Centers for Medicare and Medicaid Services  
COBRA – Consolidated Omnibus Budget Reconciliation Act of 1985  
COLA – Cost of Living Adjustments  
DHH – Department of Health and Hospitals  
DCFS – Department of Children and Family Services  
EDA – Elderly and Disabled Adults  
EDB – Medicare Enrollment Database  
ELE – Express Lane Eligibility  
FI – Fiscal Intermediary  
FITAP – Family Independence Temporary Assistance Program  
FPL – Federal Poverty Level  
GB – Gigabyte  
GNOCHC – Greater New Orleans Community Health Connection  
HIFA – Health Insurance Flexibility and Accountability  
HIPAA – Health Insurance Portability and Accountability Act  
HMO – Health Maintenance Organization  
ICF/DD – Intermediate Care Facility/Developmental Disabilities  
IEEE – Institute of Electrical and Electronics Engineers  
JLCB - Joint Legislative Committee on the Budget  
LaCHIP – Louisiana Children’s Health Insurance Program  
LaHIPP – Louisiana Health Insurance Premium Payment  
LAMI – Louisiana Automated Management Information System  
LAN – Local Area Network  
LASES – Louisiana Support Enforcement Services  
LIFC – Low Income Families with Children  
LIS – Low Income Subsidy  
MAS – Medicaid Application System  
MEDS – Medicaid Eligibility Data System  
MMA – Medicare Modernization Act of 2003  
MMIS – Medicaid Management Information System  
MPP – Medicaid Purchase Plan  
MSP – Medicare Savings Program  
Must: Denotes a mandatory requirement

MVA – Medical Vendor Administration  
MVS – Multiple Virtual Storage  
NOW – New Opportunities Waiver  
OASDI – Old Age Survivors and Disability Insurance  
OCS – Office of Community Services  
OPH – Office of Public Health  
Original: Must be signed in ink pen  
OSS – Optional State Supplement  
PARIS – Public Assistance Reporting Information System  
PGP – Pretty Good Privacy  
PW – Pregnant Woman  
QC – Quality Control  
QDWI – Qualified Disabled Working Individuals  
QI – Qualified Individual  
QMB – Qualified Medicare Beneficiary  
RAM – Random Access Memory  
Redacted Proposal – The removal of confidential and/or proprietary information from one copy of the proposal for public records purposes.  
RFP – Request for Proposal  
SCHIP – State Children’s Health Insurance Program  
SDX – State Data Exchange  
SFTP – Secure File Transfer Protocol  
SGA – Substantial Gainful Activity  
Shall: Denotes a mandatory requirement  
Should, May, Can: Denotes a preference, but not a mandatory requirement  
SIEVS – State Income Eligibility Verification System  
SLMB – Specified Low-Income Medicare Beneficiary  
SMTP – Simple Mail Transport Protocol  
SSI – Supplemental Security Income  
TANF – Temporary Assistance for Needy Families  
TB – Tuberculosis  
TCP/IP – Telecommunications Protocol/Internet Protocol  
TEFRA – Tax Equity and Fiscal Responsibility Act  
TPA – Third Party Administrator  
TSO – Time Sharing Option  
TWWIIA – Ticket to Work/Work Improvement Incentives Act  
UNO – University of New Orleans  
UTP – Unshielded Twisted Pair  
VRR – Vital Records Registry  
WAN – Wide Area Network  
Will: Denotes a mandatory requirement

## **I. GENERAL INFORMATION**

### **A. Background**

1. The mission of the Department of Health and Hospitals (DHH or the Department) is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana. The Department of Health and Hospitals is dedicated to fulfilling its mission through direct provision of quality services, the development and stimulation of services of others, and the utilization of available resources in the most effective manner.
2. DHH is comprised of the Medical Vendor Administration (Medicaid), Office for Citizens with Developmental Disabilities, OBH, Office of Aging and Adult Services, and Office of Public Health. Under the general supervision of the Secretary, these principal offices perform the primary functions and duties assigned to DHH.
3. DHH, in addition to encompassing the program offices, has an administrative office known as the Office of the Secretary, a financial office known as the Office of Management and Finance, and various bureaus and boards. The Office of the Secretary is responsible for establishing policy and administering operations, programs, and affairs.
4. Within the Office of Management and Finance is the Medical Vendor Administration (MVA), Bureau of Health Services Financing (hereinafter called MVA). The MVA is the administrative operation with responsibility for the Medicaid Program. Medicaid is the public health program which provides payment for health care services to eligible elderly, disabled and low-income persons. Funded by both federal and state governments, Medicaid provides medical benefits such as payment for physician, hospital, laboratory, x-ray, and nursing home services. Within the Medical Vendor Administration is the Eligibility Systems Section.
5. The Eligibility Systems Section is responsible for assuring the day to day operation of the Medicaid Eligibility Data System (MEDS), and all other systems used by Medicaid eligibility staff to perform their tasks on a daily basis. This includes the Electronic Case Record (ECR), Online Application (OLA), Notices System (NiAS) and other ancillary applications used in the determination of eligibility. MEDS is the system responsible for capturing/maintaining/transmitting Medicaid eligibility. The MEDS system is vital to the Department to ensure established Medicaid eligibility is available for clients to receive services in a timely manner. The MEDS system is also responsible for transmitting the Medicaid eligibility data to the Department's Fiscal Intermediary on a daily basis. This ensures that

providers of Medicaid services can bill and receive payment for services performed.

## **B. Purpose of RFP**

1. The purpose of this RFP is to solicit proposals from qualified entities/proposers by providing notice and information regarding procurement for the maintenance and support of the Medicaid Eligibility Data System (MEDS), for the State of Louisiana. MEDS operates for the purpose of maintaining records of individuals eligible for services through Louisiana's Medicaid program and Louisiana's version of SCHIP known as the Louisiana Children's Health Insurance Program (LaCHIP). Maintenance for MEDS is critical to ensure it functions correctly and to modify system functions to meet new or changed business requirements in response to changes in state or federal laws, regulations or policies. The primary goals of MEDS are to:
  - a. Accurately capture and maintain eligibility information in a manner that increases analyst productivity and accuracy.
  - b. Timely transmit eligibility information to the Medicaid Management Information System (MMIS), third party administrator (TPA) or other business partners.
  - c. As the Department identifies efficiencies that can be gained through increased sharing of data, MEDS should continue to expand its capacity to share data with external systems, and accept data from external systems by implementing web services or middleware interfaces.
2. A contract is necessary to ensure that on-going support of the current system is in place as well as ensure that modifications are in place to support new initiatives as they are introduced. It is also necessary in order to ensure that the MEDS system is functional and capable of day to day operations which include responding to the changing business needs of Medicaid and LaCHIP

MEDS is expected to provide data necessary to produce true and accurate reports for management of the Medicaid Program. These reports are complex in nature and require a significant effort to ensure the accuracy and integrity of the data. Continued updates/modifications to the MEDS Data Warehouse application are required. The MEDS Data Warehouse is a Business Intelligence reporting tool designed to allow users to view and query Medicaid data. It uses Microsoft EXCEL 2007 utilizing the EXCEL Pivot Table facility. The data warehouse receives updates daily from MEDS regarding all cases, certification periods and Medicaid/LaCHIP enrollees. It allows interactive querying and

summarization of data which allows end users to create their own custom reports of the data without requiring programmer support.

3. This document additionally is used to:
  - a. Inform proposers of the nature of Medicaid Eligibility Data Systems (MEDS) business processes with regard to Medicaid eligibility.
  - b. Inform proposers of the numerous Medicaid programs (Attachment VII) which require updates and revisions when program guidelines change.

### **C. Invitation to Propose**

DHH, Medical Vendor Administration, Eligibility Systems Section is inviting qualified proposers to submit proposals for services to provide maintenance and support for the Medicaid Eligibility Data System (MEDS) in accordance with the specifications and conditions set forth herein. Proposers must have experience in the design, development, and maintenance of ADABAS/Natural mainframe systems. Interested firms or entities must prepare and submit proposals that comply with the requirements set forth within this RFP. It is the intent of the State to award a contract for a term of three (3) years in accordance with State laws, policies, and procedures for professional and consulting contracts. The initial term of any contract resulting from this RFP shall begin on or about May 1, 2012.

### **D. RFP Coordinator**

1. Requests for copies of the RFP and written questions or inquiries must be directed to the RFP coordinator listed below:

Robynn Schifano  
Acting Medicaid Program Manager 4  
Medical Vendor Administration/Eligibility Systems Section  
Department of Health and Hospitals  
628 North Fourth Street, 6<sup>th</sup> Floor  
Baton Rouge, Louisiana 70802  
Phone: 225-342-6398  
Fax: 225-342-9508  
*Robynn.Schifano@la.gov*

2. This RFP is available in pdf at the following weblinks:

<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47> and  
<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>



3. All communications relating to this RFP must be directed to the DHH RFP contact person named above. All communications between Proposers and other DHH staff members concerning this RFP are strictly prohibited. Failure to comply with these requirements may result in proposal disqualification.

#### **E. Proposer Inquiries**

1. The Department will consider written inquiries regarding the requirements of the RFP or Scope of Services to be provided before the date specified in the Schedule of Events. To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the above address or via the above fax number or email address by the date specified in the Schedule of Events. Any and all questions directed to the RFP coordinator will be deemed to require an official response and a copy of all questions and answers will be posted by the date specified in the Schedule of Events to both of the following web links:

<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47> and  
<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>

2. Action taken as a result of verbal discussion shall not be binding on the Department. Only written communication and clarification from the RFP Coordinator shall be considered binding.

#### **F. Pre-Proposal Conference**

1. A pre-proposal conference will be held on the date and time listed on the Schedule of Events. The conference will be located at 628 North 4<sup>th</sup> Street (Bienville Building), Baton Rouge, Louisiana 70802 in Conference Room #173 (subject to change). Prospective proposers are encouraged to participate in the conference to obtain clarification of the requirements of the RFP and to receive answers to relevant questions.
2. Although impromptu questions will be permitted and spontaneous answers will be provided during the conference, the only official answer or position of the state will be stated in writing in response to written questions. Therefore, proposers should submit all questions in writing (even if an answer has already been given to an oral question). After the conference, questions will be researched and the official response will be posted on the Internet at the following links:

<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47> and  
<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>

## **G. Schedule of Events**

DHH reserves the right to deviate from this Schedule of Events

Schedule of Events	<b>Tentative Schedule</b>
Public Notice of RFP	December 21, 2011
Pre-Proposal Conference	December 28, 2011 Bienville Building 628 N. 4 <sup>th</sup> Street Conference Room 173 Baton Rouge, LA 70802 10:30 A.M – 11:30 A.M.CST
Deadline for Receipt of Written Questions	January 5, 2012
Response to Written Questions	January 12, 2012
Deadline for Receipt of Written Proposals	January 27, 2012 4:00 P. M. CST
Proposal Evaluation Begins	January 31, 2012
Contract Award Announced	February 23, 2012
Contract Negotiations Begin	February 24, 2012
Contract Begins	May 1, 2012

## **H. RFP Addenda**

In the event it becomes necessary to revise any portion of the RFP for any reason, the Department shall post addenda, supplements, and/or amendments to all potential proposers known to have received the RFP. Additionally, all such supplements shall be posted at the following web addresses:

<http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47> and  
<http://wwwprd.doa.louisiana.gov/OSP/LaPAC/bidlist.asp?department=4>

## **II. SCOPE OF WORK**

### **A. Project Overview**

The goal and result of this contract will be for the contractor to provide continued maintenance and support of the Medicaid Eligibility Data System (MEDS) to assist DHH in achieving the following goals:

- Guaranteeing access to the system is consistently available to the Department's eligibility employees.
- Ensuring system functions as intended and correctly processes input data at all times.
- Ensuring all project related tasks, including error and change requests are

completed within the shortest possible time, while maintaining a high level of quality.

- Guaranteeing maintenance staff is available to perform work outside of the normal business hours when necessary.
- Promoting privacy and confidentiality of all Medicaid and LaCHIP information and material. The contractor shall comply with all relevant HIPAA standards.
- Sustaining a high standard of work in all regards.
- Ensuring regular and consistent project communication, both formal and informal, with regard to project related issues.
- Guaranteeing system documentation is maintained and made available at all times.
- Ensuring continual system monitoring to identify and bring to the Department's attention any risks or potential risks and recommendations for prevention of such risk.

Medicaid and LaCHIP are complex and dynamic programs that are subject to change, dictated by federal mandate and state legislative requirements. The MEDS system supports eligibility data for all current Medicaid and LaCHIP programs. MEDS contains approximately 1,200,000 active recipients at any given time and maintains over 3,420,904 person records. Medicaid eligibility data is passed from MEDS to the Medicaid Management Information System (MMIS) on a daily basis to authorize Medicaid services and claims payment.

This process begins with the recording of the Medicaid application for assistance. Applications are either accepted or rejected after the analyst reviews all potential types of assistance for which the applicant may be eligible.

While the actual determination of eligibility (acceptance or rejection) is a function performed by the analyst rather than the system, the system records the results of the determination and provides assistance in making the income eligibility determination using the budget worksheet. The budget worksheet records both income and deduction amounts for an assistance unit. An assistance unit is defined as member(s) in a case who are receiving Medicaid benefits. The net income can then be compared to the appropriate income standard to determine whether the assistance unit is eligible.

Sets of these budget worksheets are created and recorded for an application, whether it is finally accepted or rejected. If an application is rejected, the rejection reason is recorded. If the application is accepted, a certification period, the type case, and the composition of the assistance unit (which members are eligible for benefits) are defined. Daily changes to an assistance unit over time and renewals of eligibility are facilitated and recorded in the system.

The system provides application tracking, budget worksheets for determining income eligibility for specific types of assistance, Long Term Care/Waiver provider payment information, audit trails and numerous inquiry transactions. An

integrated workflow sub-system provides internal notification and approval processing for budgets. All additions, changes and deletions are written to an audit trail file. The audit trail file can be viewed in entry sequence or in date and time sequence.

In addition to the interface with MMIS mentioned above, MEDS maintains required interfaces with the following:

**Social Security Administration (SSA)**

Supplemental Security Income  
Benefit Data Exchange (BENDEX)  
Low Income Subsidy (LIS)

**Center for Medicare and Medicaid Services (CMS)**

Medicare Modernization Act (MMA)  
Medicare Modernization Act Territory Batch Query (MMATBQ)  
Medicare Buy-In  
Medicare Enrollment Database (EDB)

**Department of Children and Family Services (DCFS)**

Temporary Assistance for Needy Families (TANF)  
Supplemental Nutrition Assistance Program (SNAP)  
CLIENT system  
Louisiana Support Enforcement Services (LASES)  
Public Assistance Reporting Information System (PARIS) – *the PARIS system has links to the Department of Defense, the Veteran's Administration and Interstate matches for Medicaid, Food Stamp, TANF, General Assistance or SSI information*  
State Income and Eligibility System (SIEVS) – *SIEVS has links to the Social Security Administration, Internal Revenue Service and the Louisiana Department of Labor*  
Express Lane Eligibility (ELE) – SNAP data used for determination of eligibility for children

**Department of Health and Hospitals (DHH)**

Third Party Liability (TPL)  
Louisiana Health Insurance Premium Payment (LaHIPP)  
Medicaid Application System (MAS)  
Quality Control (QC)  
Financial system  
View Direct Reporting System  
Office of Public Health Vital Records Registry (VRR)

**Office of Group Benefits**

Premium Payment System

**Department of Corrections (DOC)**  
**DOC/OJJ**

Note: Additional data transfers can occur based on new Medicaid program requirements, legislative mandates, CMS requirements, and other state and federal requirements. The contractor will be responsible for establishing and extracting the required data files and transfer process as directed by DHH.

MEDS is a stand-alone Medicaid/LaCHIP only eligibility system which consists of four separate databases:

- Development: Used for programming by the contractor
- User Acceptance Testing (UAT): Used by MEDS Unit staff to test programming changes
- Training: Used by MEDS Unit, Training Unit and End Users
- Production: Used to maintain eligibility data

MEDS consists of the following sub-systems:

- Administration Tables
- Budget Template
- Interfaces
- Run Control
- Security
- Auto Notice Tables
- Batch Submission
- Budget Worksheet
- Certification
- Reference Table
- Third Party Liability
- Workflow

The addition of new Medicaid programs and changes to existing Medicaid programs require that the MEDS business logic be frequently modified to meet new state and federal requirements. These system modifications must be prioritized, tested and released to users as quickly as possible. It is not uncommon for multiple projects with coinciding deadlines to be in development simultaneously. It is of utmost importance that system modifications are delivered timely and coincide with program and policy effective dates. Implementation of new coverage groups and new programs is contingent upon successful completion of MEDS programming changes.

Maintenance and support of MEDS Application Integration system is also required. This web application allows for the electronic submission of applications from Medicaid's Application Suite to the MEDS mainframe

application. Data is transferred to MEDS using this web application tool to automatically add persons, cases, applications and applicants.

In addition to the MEDS online application, there is considerable batch processing that takes place. The batch processes are listed below:

Daily

Release of budget templates test version  
Closes Pending Closure cases  
Deletes budgets in error and completed test budgets  
Suspension of Type Case Updates  
Review for Deemed Eligibility through 1<sup>st</sup> Birthday  
Auto Notices  
MEDS Data Warehouse

Weekly

MMIS Provider File  
MEDSWeb

Monthly

Birthday Category Change  
Long Term Care (LTC) Certs that require segments  
Louisiana Automated Management Information System (LAMI) Closure of  
Suspended AU Members  
Eligibility Determinations Open for More than 90 Days  
Error Suspense Data Purge  
Change Renewal Date on Child Only Certs with Persons Reaching Age 19  
Expiring Earned Income Exception Deductions  
Active Children with Pseudo Social Security Numbers  
Student Earning Ineligible Months  
MMIS Community Care Provider Linkage  
Administrative Renewals  
United States Postal Zip Code CD

Annual

Cost of Living Adjustment (COLA) Process  
PICKLE I – Persons Requiring Manual Action  
PICKLE II (Lynch vs. Rank)  
Qualified Individual (QI) Closures

As Needed

Health Insurance Flexibility and Accountability (HIFA) Reports

The Department is seeking application maintenance for the Medicaid Eligibility Data System (MEDS). Currently the Core Reporting System is the responsibility of the Department's Information Technology staff. However, these duties may shift to the contractor if state resources are unavailable. Therefore, DHH is

requesting the contractor to propose a separate cost for the Core Reporting System.

Maintenance of MEDS consists of more than simply keeping the existing functionality of MEDS operating from day to day. Maintenance also means responding to meet the changing business needs of the Medicaid/LaCHIP programs. More than one million Medicaid/LaCHIP enrollees, applicants and stakeholders are impacted by the reliability of the eligibility system. It is essential that MEDS be accurate, consistent, dependable, flexible and responsive.

Contracted services will be scheduled and managed by the Department.

## **B. Deliverables**

The services to be provided are described below:

### **1. General Requirements**

- a. The Contractor will be required to provide services on the software from 6:00 a.m. to 6:00 p.m. Central Time (Baton Rouge, Louisiana) Monday through Friday, official state holidays excluded. The Contractor will also be required to furnish, upon the Department's request, service during times other than normal working hours. The Contractor will be required to perform scheduled maintenance that affects the availability of resources after normal working hours. Such service performance will be requested by the Department only at times of extreme conditions affecting multiple users. Such service is specifically within the scope of these requirements.
- b. The Contractor may perform work outside the Baton Rouge area, but at a minimum, must make quarterly visits onsite in Baton Rouge and additional visits when appropriate, as determined by the Department.
- c. Training - If any major modifications are made to the system, the Contractor shall provide training to MEDS Unit staff and/or end users in the use of the new/changed areas of the system.

### **2. Programmatic Requirements**

- a. Design Specifications – When system edits are deemed necessary by the DHH MEDS Project Manager, design specifications shall be provided by the Contractor. Approval of the specification is required from the MEDS Project Manager or designee before work is initiated on the work order.

### **3. Operations Requirements**

- a. The selected Contractor for this project shall review and correct incident reports which relate to flaws and defects within the system and perform system modifications that are considered work orders. DHH Medicaid Eligibility System Section, MEDS Unit staff shall submit work orders that will clearly define the work requirement(s) in business terms. The work order process must include, but not be limited to the following steps:
  - Definition of need(s)
  - Analysis and design (where necessary)
  - Development/modification of program code
  - Quality assurance
  - User acceptance testing
  - Implementation
  - Update and distribution of documentation
  - If necessary, the work order process may be modified to improve efficiency
- b. All correspondence between the Contractor and DHH shall comply with current HIPAA standards.

#### 4. Staffing Requirements/Qualifications

- a. The Contractor shall provide dedicated qualified personnel (as defined in Section III, Part M, 7.) to perform the tasks necessary to provide application maintenance including activities to keep the application functioning properly on a day-to-day basis. This includes altering functionality and documentation in reaction to changing business requirements based on federal and state mandates, and coordinating efforts with the Department's Information Technology support staff. The Contractor shall have a technician on call to handle after hours support of the system. The Contractor shall schedule maintenance during normal business hours whenever possible. Only when it is requested by the MEDS Project Manager will the Contractor perform scheduled maintenance outside of normal business hours.
- b. The Contractor shall assign staff who possess the knowledge, skills, and abilities to successfully perform assigned tasks. At a minimum, the Contractor's maintenance support team must have the following:
  - Ability to understand complex business problems
  - Medicaid business experience
  - Wide variety of Software AG and IBM technical skills
  - Understanding of each sub-system
  - Understanding of how each sub-system functions with the others
  - Understanding of the underlying technical architecture
  - Communication with other parties involved in support of this



system (DHH Information Technology, University of New Orleans (UNO) Technical and Software Support, Department of Children and Family Services

- c. The Contractor's key personnel assigned to this contract shall not be replaced without the written consent of the Department. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered.
- d. In the event that any Contractor personnel become unavailable due to resignation, illness or other factors (excluding assignment to a project outside this contract), not within the Contractor's reasonable control, the Contractor shall be responsible for providing an equally qualified replacement in time to avoid delays in the agreed upon completion of projects and work order implementation dates.
- e. Management - The Contractor shall dedicate a qualified Project Manager to manage the overall project and manage the ongoing maintenance of the MEDS system.

#### 5. Record keeping requirements

- a. System Documentation – System documentation must be provided by the Contractor at least quarterly or when requested by the MEDS Project Manager. This documentation shall be sent electronically. The appropriate system documentation must be updated as part of implementing each work order. The documentation shall reflect any modifications or enhancements that are made to the system and reflect the current functionality of the system. The Contractor shall ensure that documentation is readable and must perform any document conversion necessary for DHH to accept submitted documentation.

#### 6. Reporting Requirements

- a. **Monthly Status Report** - This report shall be provided to the contract monitor monthly in electronic format. The report will provide a record of the activity for the prior month. The report must be provided each month by close of business three (3) business days following the end of the reporting period. Details shall include the status of outstanding work orders, their priority in relation to other work orders and their estimated time of completion. The report must identify work orders that have been recently completed as well as the number of hours worked and the staff person who completed the work order. The report must include work orders that are delayed and the reason for the delay and also include any risk factors and strategy for reducing or eliminating future risks.

- b. **Weekly Work Order Report** – This report must be provided weekly and sent electronically. The weekly report shall give a summary of all outstanding work orders. The Contractor will work with the DHH MEDS Project Manager to prioritize work orders and obtain work order approval. The Contractor shall review work orders and determine the work requirement and provide the MEDS Project Manager with an estimate of the effort required as well as an estimated cost to complete the work order request. The Contractor will ask the MEDS Project Manager for clarification when necessary. The MEDS Project Manager may either approve or decline the supplied estimate. The Contractor shall only proceed with work orders that have been approved by the DHH MEDS Project Manager.
- c. The Contractor shall create ad hoc (on demand) reports as requested by management.

## 7. Transition Plan

- a. The Transition Period will begin after both parties sign the contract and continue through the contract start date. All costs incurred during the Transition Period are the responsibility of the contractor.
  - 1) The contractor shall be responsible for all initial and recurring costs required for access to DHH systems. These costs include, but are not limited to, hardware, software, licensing, authority/permission to utilize any patents, annual maintenance, support, and connectivity with DHH.
- b. The contractor has overall responsibility for the timely and successful completion of each of the Transition Period tasks as determined by the DHH contract monitor. The contractor is responsible for clearly specifying and requesting information needed from DHH and other DHH contractors in a manner that does not delay the schedule of work to be performed.
- c. Contract Start-Up and Planning
  - 1) DHH and the contractor shall work together during the initial contract start-up phase to:
    - a) Define project management and reporting schedules;
    - b) Establish communication protocols between DHH and the contractor;
    - c) Establish contacts with DHH contractors;

- d) Establish a schedule for key activities and milestones; and
    - e) Clarify expectations for the content and format of Contract Deliverables.
  - 2) The contractor shall be responsible for developing a written work plan, referred to as the Transition/Implementation Plan, which will be used to monitor progress throughout the Transition Period. An updated and detailed Transition/Implementation Plan shall be due to DHH, for approval, within thirty (30) days from the date the contract is signed by the contractor. This Transition/Implementation Plan shall describe how the transfer of functions, facilities, and processes will transition from the existing contractor to the new contractor and shall also include expected completion dates for each task which will be reviewed and subject to approval by DHH.
  - 3) The Transition/Implementation Plan must include but is not limited to the following:
    - a) Schedule with key milestones;
    - b) Outline of procedures to be followed during the implementation period;
    - c) Identification of key issues that need to be addressed during the implementation period (including, but not limited to: meeting performance standards; how disputes and issues between the incoming and outgoing contractors will be resolved; liability due to Contractor Performance.);
    - d) Identification of the key issues and activities related to implementation that must be performed prior to beginning the implementation period;
    - e) Identification of roles and responsibilities and clear expectations for contractor and DHH staff;
    - f) Point of contact and procedures for managing problems or issues during the changeover period; and
    - g) Contingency plan for failed cut over/transition of services to new contractor.
- d. Organization and Key Personnel
- 1) If any of the organizational or key personnel information has changed since the response to the RFP, the contractor must update and provide this information to DHH no later than the contract execution date.
  - 2) The same is applicable to any subcontractor information.

e. System and Transfer of Data

- 1) The contractor must have hardware, software, network and communications systems with the capability and capacity to connect to all systems and subsystems in support of this contract.
- 2) The contractor must accept into its system any and all necessary data files and information available from DHH or its contractors. The contractor must install and test all hardware, software, and telecommunications required to support the contract. The contractor shall define and test modifications to the contractor's system(s) required to support the business functions of the contract.
- 3) The contractor shall produce data extracts and receive data transfers and transmissions.
- 4) If any errors or deficiencies are evident, the contractor must develop resolution procedures to address the problem identified.
- 5) The contractor shall provide DHH, or designated contractor, with test data files for systems and interface testing for all external interfaces.
- 6) The contractor must assure that system services are not disrupted or interrupted during the transition of the contract.
- 7) The contractor must clearly define and document the policies and procedures that will be followed to support day-to-day systems activities.
- 8) The contractor must develop, and submit for DHH review and approval, the following information no later than 30 days after the contract is signed:
  - a) Disaster Recovery Plan
  - b) Business Continuity Plan
  - c) Systems Quality Assurance Plan

f. Turnover Requirements

- 1) Turnover is defined as those activities that the contractor is required to perform upon termination of the contract in situations in which the contractor must transition contract operations to DHH or a third party. The turnover requirements in this Section are applicable upon any termination of the contract 1) initiated by the contractor, 2) initiated by DHH, or 3) at the expiration of the contract period and any extensions.
- 2) In the event the Contract is terminated for any reason, the contractor shall:

- a) Comply with all terms and conditions stipulated in the contract until the termination effective date.
- b) Comply with direction provided by DHH to assist in the orderly transition of equipment, services, software, leases, etc. to DHH or a third party designated by DHH.

3) Turnover Plan

- a) In the event of written notification of termination of the contract by either party, the contractor shall submit a Turnover Plan within thirty (30) calendar days from the date of notification, unless other appropriate timeframes have been mutually agreed upon by both the contractor and DHH. The contractor shall address the turnover of records and information maintained by the contractor. The Turnover Plan must be a comprehensive document detailing the proposed schedule, activities, and resource requirements associated with the turnover tasks. The Turnover Plan must be approved by DHH.
- b) If the contract is not terminated by written notification, the contractor shall propose a Turnover Plan six months prior to the end of the contract period, including any extensions to such period. The contractor shall address the turnover of the records and information maintained to either DHH or a third party designated by DHH. The Turnover Plan must be a comprehensive document detailing the proposed schedule, activities, and resource requirements associated with the turnover tasks. The Turnover Plan must be approved by DHH.
- c) As part of the Turnover Plan, the contractor must provide DHH with copies of all relevant member data, documentation, or other pertinent information necessary, as determined by DHH, for DHH or a subsequent contractor to assume the operational activities successfully. This includes correspondence, documentation of ongoing outstanding issues, and other operations support documentation. The contractor will describe the contractor's approach and schedule for transfer of all data and operational support information, as applicable. The information must be supplied in media and format specified by DHH and according to the schedule approved by DHH.

5) Post-Turnover Services

- a) Thirty (30) days following turnover of operations, the contractor must provide DHH with a Turnover Results report documenting the completion and results of each step of the Turnover Plan. Turnover will not be considered complete until this document is approved by DHH.
- b) The contractor must maintain all files and records related to members and providers until the resolution of all litigation, financial management review or audit pertaining to the contract. The contractor agrees to repay any valid, undisputed audit exceptions taken by DHH in any audit of the contract.

**C. Liquidated Damages**

1. In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. If assessed, the liquidated damages will be used to reduce the Department's payments to the Contractor or if the liquidated damages exceed amounts due from the Department, the Contractor will be required to make cash payments for the amount in excess.
  - a. Late submission of any required report - \$50 per working day, per report.
  - b. Failure to fill vacant contractually required key staff positions within 90 days - \$500 per working day from 91st day of vacancy until filled with an employee approved by the Department.
  - c. Failure to maintain all client files and perform all file updates according to the requirements in the contract, as evidenced in client files when reviewed during monitoring site visit - \$100 per occurrence.
  - d. Late submission of invoices beginning 10 business days after the stated due date - \$50 per working day per invoice.
  - e. Late completion of work orders at previously agreed upon target completion dates - \$50 per working day, per work order.
  - f. Inadequate testing by the Contractor of system components to ensure that State Requirements are being met and components are error free - \$500 per occurrence.
  - g. Failure to maintain thorough, accurate, and up-to-date system documentation. - \$50 per working day per document.
2. The decision to impose liquidated damages may include consideration of some or all of the following factors:
  - a. The duration of the violation;

- b. Whether the violation (or one that is substantially similar) has previously occurred;
- c. The Contractor's history of compliance;
- d. The severity of the violation and whether it imposes an immediate threat to the health or safety of the consumers;
- e. The "good faith" exercised by the Contractor in attempting to stay in compliance.

#### **D. Fraud and Abuse**

1. The Contractor shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud and abuse activities.
2. Such policies and procedures must be in accordance with state and federal regulations. Contractor shall have adequate staffing and resources to investigate unusual incidents and develop and implement corrective action plans to assist the Contractor in preventing and detecting potential fraud and abuse activities.

#### **E. Technical Requirements**

1. The Contractor must maintain hardware and software compatible with current DHH requirements which are as follows:
  - IBM compatible PC
  - Intel Core i5 or equivalent (or compatible successors)
  - 4 Gig of RAM memory (minimum)
  - Enough spare USB ports to accommodate thumb drives, etc.
  - 250GB Hard Drive (minimum)
  - Ethernet LAN interface for laptop and desktop PCs
  - 19" WXGA Digital Flat Panel LCD monitor with DVI (minimum)
  - Printer compatible with hardware and software required
  - High speed internet with email
  - DVD\CD ROM
  - Windows XP, SP3 or later version of operating system (minimum)
  - Windows Internet Explorer 8.0 (or later)
  - Microsoft Office 2007 or later
  - Appropriate firewalls for internet security
  - Compliant with industry-standard physical and procedural safeguards for confidential information (NIST 800-53A, NIST 800-39, ISO 17788, etc.).
  - A local area network (LAN) conforming to the IEEE 802.3 standard Ethernet topology using RJ-45 unshielded twisted pair (UTP) cabling, 10/100/1000 Mbps Ethernet Network Interface Card (NIC) that allows basic Broadband network connection (min 768Kbps – 1.5Mbps)

- A LAN operating system that supports the Internet Protocol (IP) transmission services. The selected contractor should obtain a block of IP addresses from the InterNIC regulatory agency.
- An electronic mail software package that is compatible with Microsoft Exchange 2003 or equivalent and also supports the standard Simple Mail Transport Protocol (SMTP) for Internet based email exchange or its equivalent and is FIPS 140-2 compliant.
- A terminal emulation software package installed on each personal computer workstation that provides IBM 3270 terminal emulation capability or its equivalent
- A file transfer software package installed on the network server which provides an appropriate means to transfer secure and/or encrypted documents using an industry accepted SFPT or other secure transfer protocol over the TCP/IP based WAN or its equivalent (PGP, CoreFTP or CuteFTP clients are recommended).
- A workstation and network-based anti-virus software package that provides protection from most computer software virus programs or its equivalent. (Recommendations are Symantec Antivirus, McAfee Antivirus or Trend-Micro Antivirus or other state approved product).
- Access to all systems shall be secured through the use of complex User ID's and passwords and all systems should be configured based on industry standards and best practices and in tandem with the Office of Information Technology (OIT) Technical Standard/Procedure. See Attachment VIII for details.
- DHH is transitioning to NSA-recommended password settings as an in-between step before migrating to the even stricter OIT standards. The transition includes the following password settings:
  - Minimum Password Age: 1 day;
  - Minimum Password length: 12 characters;
  - Account Lockout Duration: 15 minutes; and
  - Account Lockout Threshold: 50
- The contractor shall be responsible for a PC based system with various databases. The contractor shall be responsible for providing to DHH, at no additional charge, two (2) sets of all system documentation. The documentation shall be subject to Department approval and compatibility.
- Regular and frequent updates of the virus definitions and security parameters of these software applications shall be established and administered.
- A web browser that is equal to or surpasses Microsoft Internet Explorer v7.0 and is capable of resolving JavaScript and ActiveX scripts.
- Each workstation shall have a desktop compression/encryption application that is FIPS 140-2 compliant.



- All workstations, laptops and portable communication devices shall be installed with full disk encryption software.
2. The Department of Health and Hospitals uses the Department of Children and Family Services (DCFS) mainframe. The DCFS technical environment is defined in Attachment VI.
  3. The State will provide no in-house resources other than telecommunication link to mainframe. Any long distance cost for this link will be the responsibility of the Contractor.
  4. MEDS is a management information system that maintains records of individuals eligible for Medicaid services. The system is written in Software AG's Natural language, and utilizes the ADABAS database. MEDS was designed using a three-tier architecture approach, separating out the User Interface, Business Logic, and Data Access components. MEDS maintains about 3,420,904 person records, over 1,757,815 case records and all other supporting records for a combined allocated space of some 600 gigabytes. The MEDS application has over 39,375 Natural modules. The Natural/Construct CASE tool is used to aid in code generation and used for automatic inclusion of some of the System Wide Facilities components (e.g. Security). Some of the Construct components, or models, used in MEDS were customized by contract staff specifically for the MEDS application. The Natural/Predict tool is used to maintain the data dictionary and provides a facility for creation and maintenance of online help screens. The online components of MEDS execute under control of IBM's transaction manager software called CICS (Custom Information Control System). The system has in excess of 850 users who connect to MEDS via a 3270 terminal (or 3270 terminal emulator). The batch components execute under the direct control of the MVS (Multiple Virtual Storage) operating system. Using the MVS/TSO (Time Sharing Option) editor, developers create and maintain JCL (Job Control Language) objects. These objects control aspects of batch JOB execution and output generation. All production JOBS are executed under the control of DCFS Operations staff and their automated scheduling tools, however, JOB sequencing and identification of dependencies is the responsibility of the MEDS maintenance Contractor.
  5. The Contractor shall procure, supply, install, configure, and maintain the local area network (LAN), computers, computer hardware, and computer software located at the contractor's processing site. In addition, should the Contractor decide to have more than one processing site, the Contractor shall procure, supply, install, configure, and maintain the wide area network (WAN) connecting the additional processing sites according to the recommended telecommunications specifications. Either point-to-point dedicated network connections, frame-relay connections or other high speed data line supporting the TCP/IP telecommunications protocol are recommended.

6. The contractor shall develop, test and maintain a Disaster Recovery and Business Continuity Plan (DR/BCP) and procedures to allow them to continue to deliver essential business functions despite damage, loss or disruption of information technology due to the unexpected occurrence of a natural or man-made emergency or disaster.

The DR/BCP must be submitted to DHH for approval at time of proposal. At a minimum, the plans must include: Risk Assessment, Business Impact Analysis, Alignment to Business Strategy, Alignment to Business Continuity Strategy, and Testing and Updating Plans.

## **F. Subcontracting**

The contractor shall not contract with any other party for furnishing any of the work and professional services required by the contract without the express prior written approval of the Department. The contractor shall not substitute any subcontractor without the prior written approval of the Department. For subcontractor(s), before commencing work, the contractor will provide letters of agreement, contracts or other forms of commitment which demonstrates that all requirements pertaining to the contractor will be satisfied by all subcontractors through the following:

1. The subcontractor(s) will provide a written commitment to accept all contract provisions.
2. The subcontractor(s) will provide a written commitment to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract.

## **G. Insurance Requirements**

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI. This rating requirement shall be waived for Worker's Compensation coverage only.

### **1. Contractor's Insurance**

The Contractor shall not commence work under this contract until it has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company shall be filed with the Department for approval. The Contractor shall not allow any subcontractor to commence work on subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the Department before work is commenced. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days

notice in advance to the Department and consented to by the Department in writing and the policies shall so provide.

2. Compensation Insurance

Before any work is commenced, the Contractor shall obtain and maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed to provide services under the contract. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

3. Commercial General Liability Insurance

The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect Contractor, the Department, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by the Contractor or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the Department. Such insurance shall name the Department as additional insured for claims arising from or as the result of the operations of the Contractor or its subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

4. Licensed Motor Vehicles

The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage.

5. Subcontractor's Insurance

The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

## **H. Resources Available to Contractor**

The Department of Health and Hospitals, Medical Vendor Administration/Eligibility Systems Section, will have an assigned staff member who will be responsible for primary oversight of the contract. This individual will schedule meetings to discuss progress of activities, and problems identified.

#### **I. Contact Personnel**

All work performed by the contractor will be monitored by the contract monitor:

Robynn Schifano  
Department of Health and Hospitals  
Medical Vendor Administration  
Eligibility Systems Section  
628 North Fourth Street, 6<sup>th</sup> Floor  
Baton Rouge, Louisiana 70802  
Phone: 225-342-6398  
Email: Robynn.Schifano@la.gov

#### **J. Term of Contract**

The contract shall commence on or near the date approximated in the Schedule of Events. The term of this contract is for a period of thirty-six (36) months from **May 1, 2012 until April 30, 2015**. The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

#### **K. Payment Terms**

The contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly or as defined in the contract terms. Payment of invoices is subject to approval of Diane Batts, Acting Medicaid Deputy Director, or designee.

#### **L. Performance Measures**

The DHH MEDS Project Manager will use the following criteria to measure the performance of the contractor:

1. Availability of contractor's functional and technical staff to perform the work orders timely and actual performance in a timely fashion.
2. Adequate testing by the contractor of system components to ensure that State Requirements are being met and components are error free.
3. Ongoing maintenance that continues to provide a functioning system which meets the State's specified requirements.
4. Thorough, accurate, and up-to-date system documentation.

## **M. Monitoring Plan**

The Department will monitor the services provided by the contractor and the expenditure of funds under this contract. The DHH MEDS Project Manager will be responsible for the day-to-day contact with the contractor and day-to-day monitoring of the contractor. The performance of the contractor will be monitored by:

1. Reviewing and testing completed system changes to ensure that all requirements were met.
2. Supervising and directing Department staff in testing system changes completed by the contractor to ensure components are error free.
3. Verifying monthly contractor invoices, time sheets, and task breakdowns to determine if billing for work orders completed is accurate.

## **III. PROPOSALS**

### **A. General Information**

This section outlines the provisions which govern determination of compliance of each proposer's response to the RFP. The Department shall determine, at its sole discretion, whether or not the requirements have been reasonably met. Omissions of required information shall be grounds for rejection of the proposal by the Department.

Proposals should address how the proposer intends to assume complete responsibility for timely performance of all contractual responsibilities in accordance with federal and state laws, regulations, policies, and procedures.

### **B. Contact After Solicitation Deadline**

After the date for receipt of proposals, no proposer-initiated contact relative to the solicitation will be allowed between the proposers and DHH until an award is made.

### **C. Rejection and Cancellation**

Issuance of this solicitation does not constitute a commitment by DHH to award a contract or contracts. The Department reserves the right to reject all proposals received in response to this solicitation.

In accordance with the provisions of R.S. 39:2182, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded

under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of this Title, or the Louisiana Procurement Code under the provisions of Chapter 17 of this Title.

#### **D. Award Without Discussion**

The Secretary of DHH reserves the right to make an award without presentations by proposers or further discussion of proposals received.

#### **E. Assignments**

Any assignment, pledge, joint venture, hypothecation of right or responsibility to any person, firm or corporation should be fully explained and detailed in the proposal. Information as to the experience and qualifications of proposed subcontractors or joint ventures should be included in the proposal. In addition, written commitments from any subcontractors or joint ventures should be included as part of the proposal.

#### **F. Proposal Cost**

The proposer assumes sole responsibility for any and all costs associated with the preparation and reproduction of any proposal submitted in response to this RFP, and shall not include this cost or any portion thereof in the proposed contract price

#### **G. Ownership of Proposal**

All proposals become the property of the Department and will not be returned to the proposer. The Department retains the right to use any and all ideas or adaptations of ideas contained in any proposal received in response to this solicitation. Selection or rejection of the offer will not affect this right. Once a contract is awarded, all proposals will become subject to the Louisiana Public Records Act.

#### **H. Procurement Library/Resources Available To Proposer**

Department program manuals and pertinent Federal and State regulations as well as other materials are available for review at the following web address: <http://www.dhh.louisiana.gov/offices/page.asp?id>

#### **I. Proposal Submission**

1. All proposals must be received by the due date and time indicated on the Schedule of Events. Proposals received after the due date and time will not

be considered. It is the sole responsibility of each proposer to assure that its proposal is delivered at the specified location prior to the deadline. Proposals which, for any reason, are not so delivered will not be considered.

2. Proposer shall submit one (1) original hard copy (the Certification Statement must have original signature signed in ink) and should submit one (1) electronic copy of the entire proposal and eight (8) hard copies of the proposal. The proposer may submit one electronic redacted copy of the proposal. No facsimile or emailed proposals will be accepted. The cost proposal and financial statements should be submitted separately from the technical proposal; however, for mailing purposes, all packages may be shipped in one container.
3. Proposals must be submitted via U.S. mail, courier or hand delivered to:

If courier mail or hand delivered:

Mary Fuentes  
Department of Health and Hospitals  
Division of Contracts and Procurement Support  
628 N 4<sup>th</sup> Street, 5th Floor  
Baton Rouge, LA 70802

If delivered via US Mail:

Mary Fuentes  
Department of Health and Hospitals  
Division of Contracts and Procurement Support  
P.O. Box 1526  
Baton Rouge, LA 70821-1526

#### **J. Public Record Law**

1. For the purposes of this RFP, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 et. seq.) will be in effect. Pursuant to this Act, all public documents, proceedings, records, and contracts, relating to this RFP shall be open to public inspection. Proposers should refer to the Louisiana Public Records Act for further clarification.

#### **K. Proposal Format**

1. An item-by-item response to the Request for Proposals is requested.
2. There is no intent to limit the content of the proposals, and proposers may include any additional information deemed pertinent. Emphasis should be on simple, straightforward and concise statements of the proposer's ability to satisfy the requirements of the RFP.

#### **L. Requested Proposal Outline:**

- Introduction/Administrative Data
- Work Plan/Project Execution
- Relevant Corporate Experience
- Personnel Qualifications
- Additional Information
- Corporate Financial Condition
- Cost and Pricing Analysis

#### **M. Proposal Content**

1. Proposals should include information that will assist the Department in determining the level of quality and timeliness that may be expected. The Department shall determine, at its sole discretion, whether or not the RFP provisions have been reasonably met. The proposal should describe the background and capabilities of the proposer, give details on how the services will be provided, and shall include a breakdown of proposed costs. It should also include information that will assist the Department in determining the level of quality and timeliness that may be expected. Work samples may be included as part of the proposal.
2. Proposals should address how the proposer intends to assume complete responsibility for timely performance of all contractual responsibilities in accordance with federal and state laws, regulations, policies, and procedures.
3. Proposals should define proposer's functional approach in providing services and identify the tasks necessary to meet the RFP requirements of the provision of services, as outlined in Section II.
4. Introduction/Administrative Data
  - a. The introductory section should contain summary information about the proposer's organization. This section should state proposer's knowledge and understanding of the needs and objectives of the DHH Medical Vendor Administration/Eligibility Systems Section as related to the scope of this RFP. It should further cite its ability to satisfy provisions of the Request for Proposals.
  - b. This introductory section should include a description of how the proposer's organizational components communicate and work together in both an administrative and functional capacity from the top down. This section should contain a brief summary setting out the proposer's management philosophy including, but not limited to, the role of Quality Control, Professional Practices, Supervision, Distribution of Work and



Communication Systems. This section should include an organizational chart displaying the proposer's overall structure.

- c. The practicality of the execution of each stage of the project will be examined. The proposal should provide a detailed breakdown of how the requested services will be provided. The rationale and methodology for achieving objectives will be considered as well as the proposer's organizational approach to the project.
- d. This section should also include the following information:
  - i. Location of Active Office with Full Time Personnel, include all office locations (address) with full time personnel.
  - ii. Name and address of principal officer;
  - iii. Name and address for purpose of issuing checks and/or drafts;
  - iv. For corporations, a statement listing name(s) and address(es) of principal owners who hold five percent interest or more in the corporation.
  - v. If out-of-state proposer, give name and address of local representative; if none, so state;
  - vi. If any of the proposer's personnel named is a current or former Louisiana state employee, indicate the Agency where employed, position, title, termination date, and social security number;
  - vii. If the proposer was engaged by DHH within the past twenty-four (24) months, indicate the contract number and/or any other information available to identify the engagement; if not, so state; and
  - viii. Proposer's state and federal tax identification numbers.
  - ix. Veteran/Hudson Initiative: Proposer should demonstrate participation in Veteran Initiative and Hudson Initiative Small Entrepreneurships or explanation if not applicable.  
(See Attachment I)
- e. **The following information must be included in the proposal:**
  - i. Certification Statement: The proposer must sign and submit an original Certification Statement (See Attachment II).

## 5. Work Plan/Project Execution

The proposer should articulate an understanding of, and ability to effectively implement services as outlined within Section II of the RFP. In this section the proposer should state the approach it intends to use in achieving each objective of the project as outlined, including a project work plan and schedule for implementation. In particular, the proposer should:

- a. Provide a written explanation of the organizational structures of both operations and program administration, and how those structures will

support service implementation. Individual components should include plans for supervision, training, technical assistance, as well as collaboration as appropriate.

- b. Provide a strategic overview including all elements to be provided.
- c. Demonstrate an ability to hire staff with the necessary experience and skill set that will enable them to effectively meet the needs of consumers served.
- d. Demonstrate an understanding of, and ability to implement, the various types of organizational strategies to be integrated within the day to day operations, which are critical in organizing their functioning and maximizing productivity.
- e. Demonstrate knowledge of services to be provided and effective strategies to achieve objectives and effective service delivery.
- f. Describe approach and strategy for project oversight and management.
- g. Articulate the need for, and the ability to implement, a plan for continuous quality improvement; this includes (but is not limited to) reviewing the quality of services provided and staff productivity.
- h. Demonstrate an understanding of and ability to implement data collection as needed.
- i. Explain processes that will be implemented in order to complete all tasks and phases of the project in a timely manner, as outlined within Section II.
- j. Articulate the ability to develop and implement a Disaster Recovery and Business Continuity plan in the event of an emergency event.
- k. Refer to specific documents and reports that can be produced as a result of completing tasks, to achieve the requested deliverables.
- l. Identify all assumptions or constraints on tasks.
- m. Discuss what flexibility exists within the work plan to address unanticipated problems which might develop during the contract period.
- n. If the proposer intends to subcontract for portions of the work, the proposer should include specific designations of the tasks to be performed by the subcontractor.

- o. Document procedures to protect the confidentiality of records in DHH databases, including records in databases that may be transmitted electronically via e-mail or the Internet.
- p. Breakdown into logical tasks and time frames all work to be performed, accompanied by an assessment of relative difficulty for each task.
- q. Identify critical tasks.
- r. Estimate time involved in completion of tasks.
- s. Contain a summary, at the activity level, to show completion schedules relative to deliverables.
- t. Include charts and graphs which reflect the work plan in detail.

## 6. Relevant Corporate Experience

- a. The proposal should indicate the firm has a record of prior successful experience in the design and implementation of the services sought through this RFP. Proposers should include statements specifying the extent of responsibility on prior projects and a description of the projects scope and similarity to the projects outlined in this RFP. All experience under this section should be in sufficient detail to allow an adequate evaluation by the Department. The proposer should have, within the last 24 months, completed a similar type project. Proposers should give at least two customer references for projects completed in at least the last 24 months. References should include the name, email address and telephone number of each contact person.
- b. In this section, a statement of the proposer's involvement in litigation that could affect this work should be included. If no such litigation exists, proposer should so state.

## 7. Personnel Qualifications

- a. This section should include the key factors which the proposer understands shall be considered in the staffing and management of the project.
- b. The purpose of this section is to evaluate the relevant experience, resources, and qualifications of the proposed staff to be assigned to this project. The experience of proposer's personnel in implementing similar services to those to be provided under this RFP will be evaluated. Proposer should also include a statement of its ability to **commit full time**

**key personnel for the full term of the contract and its plan for doing so.** The adequacy of personnel for the proposed project team will be evaluated on the basis of project tasks assigned, allocation of staff, professional skill mix, and level of involvement of personnel. Personnel should be identified, and should be the individuals who will work directly on the project. **Percentage of time, work-hours committed** or other identification of the proposed level of effort should be submitted.

- c. Proposers should state job responsibilities, workload and lines of supervision. An organizational chart identifying individuals and their job titles and major job duties should be included. The organizational chart should show lines of responsibility and authority. The proposer should clearly show how the organizational structure is designed to carry out the responsibilities within each of the major components. **Additionally, the proposer should include the percentage of time dedicated to the project.**
- d. Job descriptions, **including the percentage of time allocated to the project** and the number of personnel should be included and should indicate minimum education, training, experience, special skills and other qualifications for each staff position as well as specific job duties identified in the proposal. Job descriptions should indicate if the position will be filled by a sub-contractor.
- e. **Key personnel and the percentage of time directly assigned to the project should be identified.**
- f. Résumés of all known personnel should be included. Resumes of proposed personnel should include, but not be limited to:
  - Experience with proposer,
  - Previous experience in projects of similar scope and size.
  - Educational background, certifications, licenses, special skills, etc.
- g. If subcontractor personnel will be used, the proposer should clearly identify these persons, if known, and provide the same information requested for the proposer's personnel.

## 8. Additional Information

As an appendix to its proposal, if available, the proposer should provide copies of any policies and procedures manuals applicable to this contract, inclusive of organizational standards or ethical standards. This appendix should also include a copy of proposer's All Hazards Response Plan, if available. Proposers may be required by DHH to provide additional information or clarification concerning proposals.

## 9. Corporate Financial Condition

- a. The organization's financial solvency will be evaluated. The proposer's ability to demonstrate adequate financial resources for performance of the contract or the ability to obtain such resources as required during performance under this contract will be considered.
- b. Proposal should include for each of the last three (3) years, copies of financial statements, preferably audited, including at least a balance sheet and profit and loss statement, or other appropriate documentation which would demonstrate to the Department the proposer's financial resources sufficient to conduct the project.

## 10. Cost and Pricing Analysis

- a. Proposer shall specify costs for performance of tasks and methodologies of payment. Proposal shall include all anticipated costs of successful implementation of all deliverables outlined. An item by item breakdown of costs shall be included in the proposal.
- b. Proposers shall submit the breakdown in a similar format to the attached sample cost template form (See Attachment V) for **each year** of the contract to demonstrate how cost was determined.
- c. The cost proposal must include hourly rates, the estimated number of hours and percentage of time dedicated to the project. The proposer shall take travel expenses, labor, per diem, overhead and any other costs related to this service into account in determining the hourly rates proposed.
- d. Prices shall be a fixed hourly rate for the term of the contract. The State estimates 50,254 hours required for the three year contract period.
- e. No overtime is paid by DHH. As mentioned above, the hourly rate includes travel expenses, labor, per diem, overhead and any other costs related to this service.

## N. Evaluation Criteria

The following criteria will be used to evaluate proposals:

1. Evaluations will be conducted by a Proposal Review Committee named by the Department.

2. Evaluations of the financial statements will be conducted by a member of the DHH Fiscal Division.
3. Scoring will be based on a possible total of 100 points. Each evaluator will score each proposal and the proposal with the highest combined total score will be recommended for award.

4. Cost Evaluation:

- a. The proposer with the lowest total cost shall receive 25 points. Other proposers shall receive points for cost based upon the following formula:

$$\text{CPS} = (\text{LPC}/\text{PC}) * 25$$

CPS = Cost Proposal Score

LPC = Lowest Proposal Cost of all proposers

PC = Individual Proposal Cost

- b. The assignment of the 25 points based on the above formula will be calculated by a member of the DHH Contracts Office staff.

5. Evaluation Criteria and Assigned Weights:

Evaluation Criteria	Assigned Weight
Introduction/Understanding of RFP	5
Work Plan/Project Execution	15
Corporate Experience	20
Qualification of Personnel	20
Financial Statements	5
Cost	25
Hudson/Veterans Initiative	10
Total	100

**O. On-Site Presentations/Demonstrations**

Not required for this RFP

**P. Announcement of Award**

The Department will award the contract to the proposer with the highest graded proposal and deemed to be in the best interest of the Department. All proposers will be notified of the contract award. The Department will notify the successful proposer and proceed to negotiate contract terms.

**IV. CONTRACTUAL INFORMATION**

- A. The contract between DHH and the Contractor shall include the standard DHH contract form (CF-1/attached) including a negotiated scope of work, the RFP and its amendments and addenda, and the Contractor's proposal. The attached CF-1 (Attachment III) contains basic information and general terms and conditions of the contract to be awarded.
- B. Mutual Obligations and Responsibilities: The state requires that the mutual obligations and responsibilities of DHH and the successful proposer be recorded in a written contract. While final wording will be resolved at contract time, the intent of the provisions will not be altered and will include all provisions as specified in the attached CF-1 (Attachment III).
- C. Retainage - The Department shall secure a retainage of 10% from all billings under the contract as surety for performance. On successful completion of contract deliverables, including all components of the Turnover Plan, the retainage amount may be released on an annual basis.
- D. In addition to terms of the CF-1, attachments and exhibits, the following will be incorporated into the contract awarded through this RFP:
  - 1. Personnel Assignments: The Contractor's key personnel assigned to this contract may not be replaced without the written consent of the Department. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. Key personnel for these purposes will be determined during contract negotiation.
  - 2. Force Majeure: The contractor and the Department are excused from performance under contract for any period they may be prevented from performance by an Act of God, strike, war, civil disturbance, epidemic or court order.
  - 3. Order of Precedence: The contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions conflict, the intent of the parties shall be determined by giving a first priority to provisions of the contract excluding the RFP and the proposal; second priority to the provisions of the RFP; and third priority to the provisions of the proposal.
  - 4. Entire Agreement: This contract, together with the RFP and addenda issued thereto by the Department, the proposal submitted by the contractor in response to the Department's RFP, and any exhibits specifically incorporated herein by reference constitute the entire agreement between the parties with respect to the subject matter.

5. Board Resolution/Signature Authority: The contractor, if a corporation, shall secure and attach to the contract a formal Board Resolution indicating the signatory to the contract is a corporate representative and authorized to sign said contract.
6. Warranty to Comply with State and Federal Regulations: The contractor shall warrant that it shall comply with all state and federal regulations as they exist at the time of the contract or as subsequently amended.
7. Warranty of Removal of Conflict of Interest: The contractor shall warrant that it, its officers, and employees have no interest and shall not acquire any interest, direct or indirect, which conflicts in any manner or degree with the performance of services hereunder. The contractor shall periodically inquire of its officers and employees concerning such conflicts, and shall inform the Department promptly of any potential conflict. The contractor shall warrant that it shall remove any conflict of interest prior to signing the contract.
8. If the contractor is a corporation, the following requirement must be met prior to execution of the contract:
  - a. If a for-profit corporation whose stock is not publicly traded-the contractor must file a Disclosure of Ownership form with the Louisiana Secretary of State.
  - b. If the contractor is a corporation not incorporated under the laws of the State of Louisiana-the contractor must obtain a Certificate of Authority pursuant to R.S. 12:301-302 from the Louisiana Secretary of State.
  - c. The contractor must provide written assurance to the agency from contractor's legal counsel that the contractor is not prohibited by its articles of incorporation, bylaws or the laws under which it is incorporated from performing the services required under the contract.

**Attachments:**

- I. Hudson/Veteran Initiative
- II. Certification Statement
- III. DHH Standard Contract Form (CF-1)
- IV. HIPAA
- V. Sample Cost Breakdown Template
- VI. DCFS Technical Environment
- VII. Medicaid Programs
- VIII. Office of Information Technology Technical Standard/Procedure



**Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation of Veteran Initiative and Hudson Initiative small entrepreneurship will be scored as part of the technical evaluation.**

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurship (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at <https://smallbiz.1ouisianaforward.com/index 2.asp>. Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurship as subcontractors.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship may be obtained from the Louisiana Economic Development Certification System at <https://smallbiz.1ouisianaforward.com/index 2.asp>. Additionally, a list of Hudson and Veteran Initiative small entrepreneurship, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal

[https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest\\_user=self\\_reg](https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg) may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network

<http://wwwprd.doa.louisiana.gov/osp/lapac/vendor/srchven.asp>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE. Reserved points shall be added to the applicable proposers' evaluation score as follows:

**Proposer Status and Reserved Points**

- ☐ Proposer is a certified small entrepreneurship: Full amount of the reserved points
- ☐ Proposer is not a certified small entrepreneurship but has engaged one or more certified small

entrepreneurships to participate as subcontractors:

- 1 participating small entrepreneurship: 1/5th of the reserved points
- 2 participating small entrepreneurship: 2/5ths of the reserved points
- 3 participating small entrepreneurship: 3/5ths of the reserved points
- 4 participating small entrepreneurship: 4/5ths of the reserved points
- 5 or more participating small entrepreneurship: Full amount of the reserved points

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

**CERTIFICATION STATEMENT****ATTACHMENT II**

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT.** The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below: (Print Clearly)

Date	
Official Contact Name	
Email Address	
Fax Number with Area Code	
Telephone Number	
Street Address	
City, State, and Zip	

Proposer certifies that the above information is true and grants permission to the Department to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

1. The information contained in its response to this RFP is accurate;
2. Proposer accepts the procedures, evaluation criteria, contract terms and conditions, and all other administrative requirements set forth in this RFP.
3. Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
4. Proposer's quote is valid for at least 120 days from the date of proposal's signature below;
5. Proposer understands that if selected as the successful Proposer, he/she will have 15 business days from the date of delivery of initial contract in which to complete contract negotiations, if any, and execute the final contract document. The Department has the option to waive this deadline if actions or inactions by the Department cause the delay.
6. Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at [www.epls.gov](http://www.epls.gov))

Authorized Signature: \_\_\_\_\_  
(Original signature only. Photocopy and/or electronic not accepted.)

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

**CFMS:  
DHH:  
AGENCY #**

**Attachment III**  
DHH - CF - 1

**CONTRACT BETWEEN STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS**

**AND**

**FOR**

☐ Personal Services   ☐ Professional Services   ☐ Consulting Services   ☐ Social Services

1) <b>Contractor (Legal Name if Corporation)</b>	5) <b>Federal Employer Tax ID# or Social Security #</b> (11 digits)
2) <b>Street Address</b>	6) <b>Parish(es) Served</b>
<b>City and State</b>	<b>Zip Code</b>
3) <b>Telephone Number</b>	7) <b>License or Certification #</b>
4) <b>Mailing Address (if different)</b>	8) <b>Contractor Status</b> Subrecipient: <input type="checkbox"/> Yes <input type="checkbox"/> No Corporation: <input type="checkbox"/> Yes <input type="checkbox"/> No For Profit: <input type="checkbox"/> Yes <input type="checkbox"/> No Publicly Traded: <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>City and State</b>	<b>Zip Code</b>
	8a) <b>CFDA#(Federal Grant #)</b>

9) **Brief Description Of Services To Be Provided:**

Include description of work to be performed and objectives to be met; description of reports or other deliverables and dates to be received (when applicable). In a consulting service, a resume of key contract personnel performing duties under the terms of the contract and amount of effort each will provide under terms of contract should be attached.

10) <b>Effective Date</b>	11) <b>Termination Date</b>
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12) This contract may be terminated by either party upon giving thirty (30) days advance written notice to the other party with or without cause but in no case shall continue beyond the specified termination date.

13) **Maximum Contract Amount**

14) **Terms of Payment**

If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows: (stipulate rate or standard of payment, billing intervals, invoicing provisions, etc.). Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

<b>PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:</b>	<b>Name</b>
	<b>Title</b>
	<b>Phone Number</b>

15) **Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):**

**During the performance of this agreement, the Contractor hereby agrees to the following terms and conditions:**

1. Contractor hereby agrees to adhere as applicable to the mandates dictated by Titles VI and VII of the Civil Rights Act of 1964, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990 as amended; the Rehabilitation Act of 1973 as amended; Sec. 202 of Executive Order 11246 as amended, and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services. Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, political beliefs, disabled veteran, veteran status, or any other non-merit factor.
2. Contractor shall abide by the laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a three year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Department of Health and Hospitals, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or DHH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Department of Health and Hospitals, Attention: **Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797** and one (1) copy of the audit shall be sent to the **originating DHH Office.**

4. Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74:53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of Contractual Review.
6. Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds, and shall maintain, at Contractor's expense, all necessary insurance for its employees, including but not limited to automobile insurance, workers' compensation and general liability insurance.

7. Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Department of Health and Hospitals, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
8. In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
9. No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
10. Should contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.
11. All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.
12. Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this contract. No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.
13. No person and no entity providing services pursuant to this contract on behalf of contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113.
14. No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.
15. This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds

\$20,000, the Director of the Office of Contractual Review, Division of Administration in accordance with La. R.S. 39:1502.

16. The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.
17. Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if contract exceeds \$20,000, approved by the Director of the Office of Contractual Review, Division of Administration. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
18. Any contract disputes will be interpreted under applicable Louisiana laws and regulations in Louisiana administrative tribunals or district courts as appropriate.
19. Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against DHH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in DHH's name, but at Contractor's expense and shall indemnify and hold harmless DHH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
20. Any equipment purchased under this contract remains the property of the Contractor for the period of this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of DHH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
21. Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, DHH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which LA R.S. 40:1299.39 provides malpractice coverage to the contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further it does not apply to premises liability when the services are being performed on premises owned and operated by DHH.
22. Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.
23. Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.

THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.

	STATE OF LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS
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_____ SIGNATURE	_____ DATE	_____ SIGNATURE	_____ DATE
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_____ NAME	_____ NAME
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_____ TITLE	_____ Secretary, Department of Health and Hospitals or Designee TITLE
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_____ SIGNATURE	_____ DATE	_____ SIGNATURE	_____ DATE
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_____ NAME	_____ NAME
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_____ TITLE	_____ TITLE
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(Rev. 1/04)

**HIPAA Business Associate Addendum:**

This Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment \_\_\_ to the contract.

1. The U. S. Department of Health and Human Services has issued final regulations, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), governing the privacy of individually identifiable health information. See 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"). The Department of Health and Hospitals, ("DHH"), as a "Covered Entity" as defined by HIPAA, is a provider of health care, a health plan, or otherwise has possession, custody or control of health care information or records.
2. "*Protected health information*" ("PHI") means individually identifiable health information including all information, data, documentation and records, including but not limited to demographic, medical and financial information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual or payment for health care provided to an individual; and that identifies the individual or which DHH believes could be used to identify the individual.  
     "*Electronic protected health information*" means PHI that is transmitted by electronic media or maintained in electronic media.  
     "*Security incident*" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
3. Contractor is considered a Business Associate of DHH, as contractor either: (A) performs certain functions on behalf of or for DHH involving the use or disclosure of protected individually identifiable health information by DHH to contractor, or the creation or receipt of PHI by contractor on behalf of DHH; or (B) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial or social services for DHH involving the disclosure of PHI.
4. Contractor agrees that all PHI obtained as a result of this contractual agreement shall be kept confidential by contractor, its agents, employees, successors and assigns as required by HIPAA law and regulations and by this contract and addendum.
5. Contractor agrees to use or disclose PHI solely (A) for meeting its obligations under this contract, or (B) as required by law, rule or regulation or as otherwise permitted under this contract or the HIPAA Privacy Rule.
6. Contractor agrees that at termination of the contract, or upon request of DHH, whichever occurs first, contractor will return or destroy (at the option of DHH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor will extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.
7. Contractor will ensure that its agents, employees, subcontractors or others to whom it provides PHI received by or created by contractor on behalf of DHH agree to the same restrictions and conditions that apply to contractor with respect to such information. Contractor also agrees to take all reasonable steps to ensure that its employees', agents' or subcontractors' actions or omissions do not cause contractor to breach the terms of this Addendum. Contractor will use all appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this contract and Addendum.
8. Contractor shall, within 3 days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and Addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1.

9. Contractor shall make available such information in its possession which is required for DHH to provide an accounting of disclosures in accordance with 45 CFR 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to DHH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR 164.528 for at least six (6) years after the date of the last such disclosure.
10. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR 164.524.
11. Contractor shall make PHI available to DHH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR 164.526.
12. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of DHH available to the Secretary of the U. S. DHHS for purposes of determining DHH's compliance with the HIPAA Privacy Rule.
13. Compliance with Security Regulations:

In addition to the other provisions of this Addendum, if Contractor creates, receives, maintains, or transmits electronic PHI on DHH's behalf, Contractor shall, no later than April 20, 2005:

  - (A) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of DHH;
  - (B) Ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it; and
  - (C) Report to DHH any security incident of which it becomes aware.
14. Contractor agrees to indemnify and hold DHH harmless from and against all liability and costs, including attorneys' fees, created by a breach of this Addendum by contractor, its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. Notwithstanding any other provision of the contract, DHH shall have the right to terminate the contract immediately if DHH determines that contractor has violated any material term of this Addendum.

Attachment V  
Sample Cost Template

Note: Prepare a cost breakdown for all 3 years of the contract

Years 1 - 3	Hourly Rate*	Estimated Number of Hours	Total
All Staff (Includes management, programmers, developers, administrative staff, etc.)			

\* Includes all operating costs, which includes travel expenses, labor, per diem, overhead and any other costs related to this service in determining the hourly rates proposed

Note: Breakdown of All Staff for all 3 years of the contract

Years 1 - 3	Estimated Number of Hours	% of Time Dedicated to Project
Administrative Staff (list by position)		
<b>Total Administrative Staff</b>		
Direct Labor Staff (list by position)		
<b>Total Direct Labor Staff</b>		
Contracted Staff (list by position)		
<b>Total Contracted Staff</b>		
<b>Grand Total – All Staff</b>		

## **DCFS Technical Environment**

### **Computer Center Coverage:**

The Department of Children and Family Services, Division of Information Services (DIS) is a 7/24 computer operation providing services to the Department of Children and Family Services (DCFS) and the Department of Health and Hospitals (DHH). The data center supports a lights out environment on weekends and holidays and is only manned from 7 A.M. to 3 P.M. System resources remain available during the unmanned hours; however no support personnel are available. All data center equipment, with the exception of print and file services, is located at a remote site within the Division of Administration's Computer Center at the Information Services Building (ISB).

DIS supports over 50 application systems for both DCFS and DHH. We are networked to 209 parish/state offices, providing on-line services to approximately 10,000 devices, either thru LANET or directly to numerous other state and federal agencies and to selected Contractors providing services to DCFS.

### **OPERATIONS RECAP (monthly):**

Batched Jobs Processed	20,000
Checks Printed	60,000
Total Cartridge Library	200 – 1TB Cartridges
Printer Print Lines	110,000,000

### **Operating Environment – Division of Administration Office of Computing Services (DOAOCS):**

The present computer system consists of:

IBM 2098 Model S03 CPU (803 million instructions per second) with an Integrated Facility for Linux(IFL) – Located at the ISB

- z/OS- V1.11
- z/VM – V6.1
- z/Linux-Suse Enterprise Server for z/Series V10.0
- 64 GB of processor storage
- 117 channels

IBM 2817-406 – (846 million instructions per second) – Located at the DOAOCS in the ISB.

- z/OS V1.11
- 512 GB of processor storage

### **Tape I/O Sub-system:**

The tape I/O environment consists of:

- (2) TS3500 IBM ATL
  - 2 currently located at the ISB. Waiting on LSU approval to move 1 to LSU Frey Building.
  - (4) backend 2592 drivers connected via Fiber Channels writing to 1 TB 3592 cartridges.

### **Virtual Tape:**

- (2) TS7700 IBM Virtual Tape Subsystems
  - 2 TB of disk cache capacity
  - 256 virtual tape drives (3490E)—1 located at ISB and 1 located at LSU Frey Building
  - Utilizes the IBM TS3500 for the read/write, migration and recall of virtual volumes.

### **DASD I/O Sub-system:**

- 1 DS8100 (2107) located at ISB
  - 40 TB z/OS
  - 10 TB open systems
  - Connected to the host via 4 Ficon channel (connected to the DR cpu located at LSU)
- 1 DS8100 (2107) located at LSU Frey Building.
  - 33 TB z/OS
  - 7 TB open systems
  - Connected to the host via 4 Ficon channel (connected to the DR cpu located at LSU)

### **Print Operations:**

- 1 – IBM Infoprint 4000
- 1 – IBM Infoprint 4000 with MICR

### **Teleprocessing:**

There are approximately 6,500 devices in the DCFS communications network. DCFS also supports approximately 4000 devices in the DHH network. The network is built on 6 backbone sites, including the LSU disaster site. Backbone sites are connected to each other via multiple Metro-E links and to end user sites via single 10 MG Metro-E links.

DCFS supports 95 Ethernet LANs in remotes sites. DCFS supports Ethernet LANS at all 6 POP sites.

Connectivity to the mainframe is primarily a direct connection using TN3270. DCFS communicates with other entities via traditional SNA/SNI and FTP. DCFS connects to the Internet via the LANET 16 megabyte Ethernet Switched connection and Microsoft's IE. Secured access is also available through CICS's Virtual Private Network (VPN).

DCFS supports Louisiana Health Care Authority users via the Louisiana State University Medical Center network, a VTAM/SNI LANET connection.

### **Uninterruptible Power Supply (UPS)/ Battery:**

- Powers eighteen Power Distribution Units (PDUs) throughout the building
- Automatic transfer to battery on interruptions
- Four cabinets each UPS holding forty 12 volt batteries (up to an hour of backup power) total of 160 batteries per UPS
- Batteries individually tested twice a year
- Shower required by OSHA

### **Generator:**

- Three Cummins V-16 diesel engine with OnanGenset
- 1,850 horsepower, output 3-phase 1562 KVA, 1250 KW, 1800 amps
- Only 2 generators required to run building on full load, third generator for redundancy only and is shed after 10 minutes if not needed
- Radiator holds 102 gallons of liquid; Engine holds 179 quarts of oil
- Uses approximately 50 gallons of fuel per hour
- 300 gallon "day" tank of fuel inside for Generator #1 and a 300 gallon "day" tank outside for Generator #2 and #3
- 10,000 gallon fuel tank (approx. four days supply)
- Tanks can be refueled while running
- All electrical circuits in the building are supplied by the generator
- Normally tested monthly

**Electrical Switching:**

- Transfer switch monitors input for spikes and/or failures
- Generator startup/shutdown sequence is automatic
- Startup triggered in 3 seconds, approximately 10 seconds to stabilize
- All of building is on generator, but not necessarily on the UPS/battery (some lights could be off for 5-10 seconds)
- Generator and switch gear are tested monthly

**Building:**

- Raised floor space – 15,000 square feet

### MEDICAID PROGRAMS

The State of Louisiana provides numerous services through various State and federally supported programs which rely on an accurate establishment of Medicaid eligibility.

Below is a list of individuals who are covered under the mandatory eligibility category:

<b><i>CATEGORICALLY NEEDY</i></b>	<b>Louisiana Program Terminology</b>
1. TANF Cash Recipients	FITAP
2. §1931 Low-income families & children	LIFC
3. Title IV-E Foster-care recipients	OCS Foster Care
4. Transitional Medicaid under §1925	Transitional Medicaid
5. Children under age 6 & Pregnant women and infants under age 1 with income < 133% of FPL 1902(a)(10)(A)(I)((V) and 1902(I)(I)(A), (B), and (C) of the Act	CHAMP Child & CHAMP PW
6. Deemed newborn children 42 CFR 435.117	Deemed Eligible
7. Children born after 9/30/83 who have attained 6 years of age with income <100% of FPL 1902 (a)(10)(A)(I)(VII) and 1902 (I)(I)(D) of the Act	CHAMP Child
8. Special “protected” children (e.g., those Institutionalized as of 12/73)	SSI Conversion
9. Aged, Blind, or Disabled SSI recipients (including children) - §1634 State 42 CFR 435.120	SSI recipients
10. Qualified, Severely Impaired Blind or Disabled individuals under age 65 (§1619)	SSI Protected status
11. Individuals age 18 or older who lose SSI Cash assistance due to entitlement to, or an increase in Title II Child’s benefits (§202) 1634 (c) of the Act	Disabled Adult Child



12.	Individuals ineligible for SSI cash assistance, or Optional State Supplements (OSS) because of eligibility requirements prohibited under Title XIX 42 CFR 435.122	Prohibited SSI Provisions/ Blood Product Litigants
13.	Individuals receiving mandatory State Supplements 42 CFR 435.130	SSI Conversion
14.	Individuals eligible as essential spouses (EP's) as of 12/73 42 CFR 435.131	SSI Conversion
15.	Institutionalized individuals eligible for medical assistance as of 12/73 42 CFR 435.132	SSI Conversion
16.	Blind & Disabled Individuals eligible for medical assistance as of 12/73 42 CFR 435.133	SSI Conversion
17.	Individuals who would be eligible for SSI except for the increase in OASDI benefits under P.L. 92-336 42 CFR 435.134	Pickle 2
18.	Individuals who would be eligible for SSI except for OASDI cost-of-living increases received after 04/77 42 CFR 435.135	Pickle 1
19.	Disabled widows/widowers who would be eligible for SSI benefits except for the increase in OASDI (change in benefit calculation) Section 134 of P.L. 98-21 & 42 CFR 435.137	Disabled Widow/Widowers
20.	Individuals who attained age 60 but not 65 as of 04/88, and who received SSI cash benefits prior to age 60, but lost SSI/medical assistance due to entitlement to widow or widower's Title II benefits 1634 (d) of the Act & 42 CFR 435.138	Early Widow/Widowers
21.	Individuals who lost SSI cash benefits due to receipt of Title II benefits due to the change in the definition of "disability" for disabled widows, widowers, and surviving divorced spouses	SGA Disabled Widow/Widowers and divorced spouse

22.	Disabled children who lost SSI cash assistance due to the change in the definition of “disability”, but who continue to meet all other (SSI) cash assistance requirements (§4913 children)	Section 4913 children
23.	Qualified Medicare Beneficiaries (QMBs) with income equal to or below 100% of the FPL 1902(a)(10)(E)(I) and 1905(p) of the Act	QMB
24.	Special Low-income Medicare beneficiaries (SLMB) with income below 120% of the FPL 1902(a)(10)(E)(iii) and 1905(P) of the Act	SLMB
25.	Qualified Disabled Working Individuals (QDWIs) with income below 200% of the FPL 1902(a)(10)(E)(ii), 1905(s) and 1905(p)(3)(A)(i) of the Act	QDWI
26.	Qualified Individuals (QI-1s) with income between 120-135% of the FPL 1902(a)(10)(E)(iv) Limited funding first-come, first-served basis Extended through 11-20-2005	QI-1
27.	Children eligible for SNAP and not already Medicaid eligible but otherwise meet eligibility in groups 5 and 7 are automatically enrolled through Express Lane Eligibility	ELE

Louisiana Medicaid elects to extend its services to individuals in the following categories:

<b>OPTIONAL CATEGORICAL GROUPS</b>		<b>Louisiana Program Terminology</b>
28.	Children up to age 18 who meet AFDC financial requirements	LIFC
29.	Children under a State adoption assistance program, who have special medical and rehabilitative needs	OCS Adoption Subsidy
30.	Children eligible under home & community-based waiver programs	Children’s Choice and NOW
31.	Infants & pregnant women with income	PW Expansion

	below 185% of the FPL	
32.	Individuals who would be eligible for cash assistance, except for their institutionalized status	SSI Nursing Facility
33.	Adults eligible under a home & community-based waiver program	EDA, ADHC, NOW, ROW, Supports Waiver
34.	Individuals in institutions who are eligible under a special income level	Nursing Facility, ICF/DD
35.	Optional Targeted Low Income Children 1902(a)(10)(A)(ii)(XIV) of the Act	LaCHIP
36.	Coverage of the unborn (prenatal services for low income women, regardless of citizenship	LaCHIP IV
37.	Aged & Disabled individuals, with income below 100% of the FPL	Disability Medicaid
38.	Working Disabled Individuals (TWWIIA) – Basic coverage	Medicaid Purchase Plan
39.	Individuals screened for breast or cervical cancer under CDC program	BCC
40.	Disabled children under age 19 whose family income is less than 300% FPL	Family Opportunity Act
41.	Tuberculosis (TB) infected individuals 1902(z)(1) of the Act	TB infected
42.	Extended Coverage for Foster Care Children under the Foster Care Independence Act	Youth Aging Out of Foster Care (Chafee group)
43.	Program of All Inclusive Care for the Elderly 42 CFR Part 460	PACE
44.	Individuals between 19 and 65 who are residents of the Greater New Orleans are with family income up to 200% FPL	GNOCHC

### ***MEDICALLY NEEDY (OPTIONAL)***

45.	Caretaker relatives
46.	Aged, Blind, & Disabled Individuals
47.	Children & Pregnant women

<b><i>OTHER NON-MEDICAID</i></b>	<b><i>Louisiana Program Terminology</i></b>
Refugee Medical Assistance 45 CFR Part 400 Subpart G	RMA

IT STD 1-01

## Office of Information Technology Technical Standard / Procedure

### Security: Authentication / Passwords

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#### Description:

Information is an asset that must be protected from unauthorized access, modification and destruction. The use of passwords is one method to provide protection by controlling access to information technology systems.

#### Standard:

- Agencies shall establish and implement criteria governing the following:
  - A reasonable number (3-5) of unsuccessful login attempts allowed prior to revocation of password.
  - Procedures for revoking and resetting passwords including a method to verify the identity of the person requesting the action.
  - Procedures for password length shall be established with particular attention paid to data classification and job function. The maximum validity period for passwords shall be:
    - 35 days with password length minimum of (8); or
    - 70 days with password length minimum of (10); or
    - 105 days with password length minimum of (12); or
    - 180 days with password length minimum of (15).

*NOTE: Specific exemptions MAY be granted for special purposes (e.g. enabling a stored procedure to run against a database)*

- Password re-use limitations.
- Use of passwords shall conform to the following requirements:
  - Passwords shall be kept confidential.
  - Categories of password complexity shall contain at least 3 of the 4 categories: English upper case characters (A-Z), English lower case characters (a-z), Base 10 digits (0-9), and non-alphanumeric characters (e.g., %, &, !).
  - Passwords shall not be kept on paper or stored in plain text format.
  - All passwords shall be changed whenever it is determined that a system's security may have been compromised.
  - The cycling or re-use of passwords shall be reasonably limited. Applicable devices and application systems shall maintain a password history file to prevent continual re-use of the same passwords or group of passwords for a valid user-ID (with 3 being the minimum number of previous passwords checked), where the capability exists.
  - Passwords must not be hard coded into software.
  - Passwords must not be stored in dial-up communications utilities or browsers.

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- Passwords must not be recorded in a system log unless the password is encrypted.
  - Passwords must not be stored in any file, program, command list, procedure, macro, script or function key where it is susceptible to disclosure or to automate the login process.
  - Temporary or "reset" passwords shall be changed upon first use.
  - After a reasonable number (3-5) of consecutive failed attempts at log in, the user-ID shall be marked inactive and require a reset before additional log in attempts are allowed.
  - All default passwords must be deleted or changed immediately upon first use.
  - If not done at the time of creation, all passwords shall be checked periodically (annually or more often) via automated tools for weaknesses and to ensure that they conform to all proscribed rules for passwords, where such capability exists.
  - When changing a password, the user must provide the old password before a new password can be created, where such capability exists.
- Self-Service Password Reset – Whether developed in-house or purchased as a third-party option, tools that enable end-users to reset their passwords must conform to the following criteria:
    - Questions must be asked to confirm the identity of the person requesting a password reset. The questions used shall not be ones to which the answers would conflict with privacy legislation, policies or would be commonly known to another (e.g., mother's maiden name is fairly trivial information for an attacker to determine). The user should be able to provide the questions and answers to be asked at the time the user-ID and password are initially created.
    - There shall be a reasonable number of times (3-5) a user can enter an incorrect answer.
    - The tool must provide for secure encrypted storage of the questions and answers.

### Transition:

All newly deployed systems and applications must be compliant with this standard. Where possible existing systems and applications should be modified to become compliant with this standard. However, those systems requiring extensive modifications are exempt from this standard. Exemptions to this standard should be submitted in writing to the Chief Information Security Officer where the document will be kept on file.

### Procurement:

Not applicable.

### Related Policies, Standards, Guidelines:

## **Office of Information Technology Technical Standard / Procedure**

- Intrusion detection software should be used where applicable to deter unauthorized attempts at guessing passwords.
- Authentication software should allow for the changing of a password by the user/customer at will and without outside help.
- Most systems will "reset" the number of consecutive failed attempts to zero after each successful entry or once per day (usually late at night). This "reset" should not be done for accounts for which the threshold has been exceeded. For example, if the threshold is set for 5-consecutive attempts, then accounts having reached this number and placed into a "locked" or "disabled" state should remain in this state and not be reset without manual intervention, whether done by an Administrator or through the Self-Service Password Reset.
- Passwords should be stored and transmitted as encrypted data.
- Wherever possible, self-help password resetting tools should be employed to reduce the support workload.

**Owner:**  
OIT Security Office

**Effective Date:**  
July 27, 2009